

**MINUTES OF REGULAR MEETING  
OPEN SESSION  
ILLINOIS GAMING BOARD  
NOVEMBER 19, 2007  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Monday, November 19, 2007 a Regular Meeting of the Illinois Gaming Board ("Board") was held in the conference room of the Gaming Board Offices on the 3<sup>rd</sup> floor at 160 N. LaSalle, Chicago, Illinois.

On Monday, November 19, 2007 at 9:55 a.m. the following Board Members were present: Chairman Aaron Jaffe, Members Charles Gardner, James Sullivan, Eugene Winkler, and Joseph Moore.

At 9:55 a.m. on Monday, November 19, 2007 Chairman Jaffe called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

1. **Pending Litigation and matters involving probable litigation;**
2. **Investigations concerning applicants and licensees;**
3. **Personnel matters;**
4. **Closed session minutes; and**
5. **Evidence and testimony presented in disciplinary hearings.**

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote. The Board remained in Closed Session until approximately 1:35 p.m. The Board went into open session at 2:05 p.m.

Roll call was taken at the start of the open session with Chairman Jaffe, Members Gardner, Sullivan, Winkler and Moore present.

**CHAIRMAN'S REPORT/COMMENTS** – no report

**ADMINISTRATOR'S REPORT** – no motion

Administrator Ostrowski reminded all attendees about the Special Meeting of December 3, 2007 starting at 10:30 a.m. to hear the public's opinions on swiping of driver's licenses pertaining to the Self-Exclusion Program.

## **OWNER LICENSEE ITEMS**

### a. Items for Initial Consideration –

- MGM - Corporate Restructuring –

Paul Jensen appeared before the Board asking for initial consideration for the corporate restructuring.

### b. Items for Final Action –

- Harrah's Entertainment, Inc. – Merger with Hamlet Holdings, LLC / Apollo Management, L.P. and TPG Capital

Martha Sabol appeared before the Board with Jeff Benjamin from Apollo, Carl Petersen from TPG, Jonathan Hawkyard from Harrah's Entertainment and Frank Schrek serving as regulatory counsel to the funds. Also present were other representatives from Harrah's Entertainment, Inc.

Chairman Jaffe asked if this transaction has been approved in other states, and Ms. Sabol's answer was yes. It has been approved in Pennsylvania, New Jersey, Indiana and Mississippi.

Member Moore asked about the commitment to diversity, particularly the social investment strategy that the Board is encouraging the owners to take a look at. Jonathan Hawkyard addressed the Board in reference to Member Moore's question. Mr. Hawkyard stated that the commitment to diversity both in terms of personnel, as well as vendors remains as strong as it ever has been. This year and next year we will continue with the commitment which is the public promise that we will continue to have a diverse employment and vendor base.

Member Moore went on to ask, what percentage of the General Managers of Harrah's are men and women of color? Mr. Hawkyard went on to answer the answer is under 10%. Member Moore went on to ask if that was acceptable. Mr. Hawkyard's reply was that it was not acceptable. Member Moore asked if any efforts to change this will be implemented. Mr. Hawkyard replied that efforts to increase its commitment to diversity will be made by Harrah's in the future.

Member Sullivan offered the following resolution:

**WHEREAS**, Harrah's Entertainment, Inc., through subsidiaries, owns Southern Illinois Riverboat Casino Cruises, Inc., which does business as Harrah's Metropolis Casino & Hotel. Harrah's Entertainment, Inc., through subsidiaries, also owns 80% of Des Plaines Development, L.P., which does business as Harrah's Joliet Casino & Hotel. Southern Illinois Riverboat Casino Cruises, Inc. and Des Plaines Development, L.P. are Illinois Owner licensees.

**WHEREAS**, on December 19, 2006 Harrah's Entertainment, Inc. entered into a definitive Agreement And Plan Of Merger with affiliates of two private equity firms, Apollo Management, L.P. and Texas Pacific Group – now known as TPG Capital - to merge with Hamlet Merger, Inc. Hamlet Merger, Inc. is 100% owned by Hamlet Holdings, LLC. Harrah's Entertainment, Inc. will be the surviving company and will be 100% owned by Hamlet Holdings, Inc. Hamlet Holdings, Inc. is owned by affiliates of Apollo Management, L.P. and TPG Capital.

**WHEREAS**, on January 24, 2007 Harrah's Entertainment, Inc., Apollo Management L.P. and TPG Capital requested initial consideration of the Agreement And Plan Of Merger and the merger transaction by the Board.

**WHEREAS**, following the merger, Harrah's Entertainment, Inc. will have two classes of stock: voting stock, which will hold no economic interest in Harrah's Entertainment, Inc. and non-voting stock, which will have 100% of the economic interest, but no voting rights or control, in Harrah's Entertainment, Inc. The voting stock will be wholly owned by Hamlet Holdings, LLC. The non-voting stock will be owned by six newly formed entities which are investment vehicles for sophisticated institutional and individual investors.

**WHEREAS**, no general partner, limited partner and/or co-investor affiliated with a fund or entity holding non-voting stock will own 5% or more of an economic, beneficial or other interest in Harrah's Entertainment, Inc.

**WHEREAS**, Hamlet Holdings LLC will be managed by six Managing Members, three from Apollo Management L.P. and three from TPG Capital.

**WHEREAS**, certain material debt transactions used to finance the acquisition are comprised of the following:

(a) a \$9.975 billion Senior Secured Credit Facility consisting of a \$7 billion secured term loan, a \$2.225 billion secured revolving credit facility, and a \$750 million delayed draw term loan, all of which reflect Harrah's Operating Company as borrower, Bank of America, N.A. as administrative agent, Deutsche Bank AG New York Branch as syndication agent and Harrah's Entertainment, Inc. as guarantor;

(b) \$6.375 billion of unsecured Senior Notes issued by Harrah's Operating Company with Harrah's Entertainment, Inc. as well as the subsidiaries of Harrah's Operating Company as guarantors; however, in the event the Senior Notes are not sold by the Sponsors before closing the transaction, the sponsors banks will fund the amount of the unsecured Senior Notes through "Bridge Facility" Notes; and

(c) \$7.25 billion in real estate financing from lender JPMorgan Chase Bank, with the majority of funds secured by a first-priority mortgage on the real property owned by one or more subsidiaries of Harrah's Entertainment, Inc.

**WHEREAS**, the debt financing required to complete the merger is fully committed by the lending institutions and/or their affiliates;

**NOW THEREFORE**,

**Be It Resolved**, that the Board approves the Agreement And Plan Of Merger, the merger of Hamlet Merger, Inc. with and into Harrah's Entertainment, Inc., with Harrah's Entertainment, Inc., the surviving corporation, 100% owned by Hamlet Holdings LLC.

**Be It Further Resolved**, that the Board approves Hamlet Holdings LLC's proposed financing package to fund the acquisition of Harrah's Entertainment, Inc. contingent on terms presented in the final financing documentation not being materially different from the terms in the documentation provided to date.

**Be It Further Resolved**, that the Board designates and approves the following business entity, position and individuals as additional Key Persons of both Des Plaines Development, Limited Partnership and Southern Illinois Riverboat Casino Cruises, Inc.:

1. Hamlet Holdings, LLC
2. Managing Member, Hamlet Holdings, LLC
3. Leon Black
4. Marc Rowan
5. Joshua J. Harris
6. David Bonderman
7. James Coulter
8. Jonathan Coslet

Member Sullivan moved that **the Board adopt this resolution**. Member Gardner seconded the motion. The Board approved the resolution unanimously by roll call vote.

- Infinity World Investments, LLC – Request to Approve Pledge Agreement

Paul Jensen appeared before the Board and corrected his previous statements. Infinity is owned 100% by the DuBai Government.

Member Gardner stated that DuBai World is the parent of Infinity.

Member Gardner offered the following resolution:

**WHEREAS**, on October 16, 2007 Infinity World Investments LLC presented a request to waive the Board's two-meeting rule and for approval of a Pledge Agreement.

**WHEREAS**, on October 16, 2007 the Board waived the two-meeting rule and approved Infinity World Investments LLC's request to pledge up to 4.75% of the outstanding common stock of MGM MIRAGE to Credit Suisse International, Deutsche Bank AG, London Branch and the Royal Bank of Scotland plc.

**WHEREAS**, the Board has completed its review of the Pledge Agreement within the framework of Illinois law, including the Board's Adopted Rules.

**NOW THEREFORE**,

**Be It Resolved** that the Board approves the Pledge Agreement by and among Infinity World Investments LLC, Credit Suisse International, Deutsche Bank AG, London Branch and

the Royal Bank of Scotland plc provided, however, that approval of the Pledge Agreement does not preclude the Board's right and authority to approve the future transfer of pledged shares as may be required by Illinois law.

Member Gardner moved that **the Board adopt this resolution**. Member Sullivan seconded the motion. The Board approved the resolution unanimously by roll call vote.

- Harrah's Metropolis – Brian Robert Carr, Vice President of Finance – Level One

Based on staff's investigation and recommendation, Member Moore moved that **the Board approve Brian Robert Carr as an Occupational Licensee Level 1 in the position of Vice President of Finance for Harrah's Metropolis Casino & Hotel**. Member Gardner seconded the motion. The Board approved the resolution unanimously by roll call vote.

- Harrah's Joliet – Christy Rodriguez, Director of Internal Audit, Key Person

Member Gardner commended Ms. Rodriguez on her resume.

Based on a review of staff's investigation and recommendation, Member Sullivan moved that **the Board approve Christy Rodriguez as a Key Person for Harrah's Joliet in the position of Director of Internal Audit**. Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Alton Belle Casino – Maria Catania, Internal Audit Manager – Level One

Based on staff's investigation and recommendation, Member Winkler moved that **the Board approve Maria Catania as an Occupational Licensee Level 1 in the position of Internal Audit Manager for Alton Belle Casino**. Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Par-A-Dice Casino – Jason Werderman, Internal Auditor – Level One

Based on staff's investigation and recommendation, Member Gardner moved that **the Board approve Jason Werderman as an Occupational Licensee Level 1 in the position of Internal Auditor for Par-A-Dice Casino**. Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

- Par-A-Dice Casino – Randall Martin, Director of Security – Level One

Based on staff's investigation and recommendation, Member Moore moved that **the Board approve Randall Martin as an Occupational Licensee Level 1 in the position of Director of Security for Par-A-Dice Casino**. Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Hollywood Casino – Jennifer Ozoa, Internal Auditor – Level One

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board approve Jennifer Ozoa as an Occupational Licensee Level 1 in the position of Internal Auditor for Hollywood Casino.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

- Casino Queen – Jeffery Eckert, Director of Surveillance – Level One

Based on staff's investigation and recommendation, Member Winkler moved that **the Board approve Jeffery Eckert as an Occupational Licensee Level 1 in the position of Director of Surveillance for Casino Queen.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

### **SUPPLIER LICENSEE ITEMS**

- JCM American Corporation – License Renewal

Based on a review of staff's investigation and recommendation, Member Winkler moved that **the Board renew the Supplier's license of JCM American Corporation for a term of four (4) years expiring in November 2011.**

Furthermore, Member Winkler moved to **designate the following individuals, business entities and positions as Key Persons of JCM American Corporation:**

1. **Japan Cash Machine Co., Ltd.;**
2. **Joto Kosan Co., Ltd.;**
3. **President;**
4. **Akiyoshi Isoi;**
5. **Koichiro Kamihigashi, and**
6. **Yojiro Kamihigashi.**

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Gaming Partners International USA, Inc. – Charles McCullough – Key Person

Based on a review of staff's investigation and recommendation, Member Sullivan moved that **the Board approve Charles T. McCullough as a Key Person for Gaming Partners International in the position of Chief Operating Officer.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

### **OCCUPATIONAL LICENSES APPROVALS & DENIALS - Level 2's & 3's**

Based on staff's investigation and recommendation, Member Moore moved that **the Board approve 61 applications for an Occupational License, Level 2, and 207 applications for an Occupational License, Level 3.**

Further, Member Moore moved that **the Board direct the Administrator to issue a Notice of Denial to the following individuals who received notice that staff intended to recommend denial and either did not respond or provide additional information to rebut the recommendation.**

1. Cedric Henderson;
2. Carmelita Higgs-Cotton;
3. Courrie A. Frazier;
4. Joseph D. Sprague;
5. Courtland Bernard Wilson;
6. Ronnie E. Dale;
7. Evelyn Loraine Dodson;
8. Rosemary Pernice-Dembosz;
9. Antonio Wimberly, and
10. Robert Arthur Williams, Jr.

Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

#### **PROPOSED COMPLAINTS AND DISCIPLINARY ACTIONS**

- Christopher C. Leseberg, Occupational Licensee

Based on staff's investigation and recommendation, Member Gardner moved that **the Board issue a Disciplinary Complaint against Christopher C. Leseberg, an occupational licensee, based on his admission that he forged four cash advance checks which he used to steal \$3,200 from Grand Victoria Casino on September 11, 2007.**

Further, Member Gardner moved that **the Board revoke Christopher C. Leseberg's occupational license. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.**

Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Sean P. McNamee, Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against Sean P. McNamee, an occupational licensee, based on his admitted theft of property from Harrah's Joliet Casino & Hotel.**

Further, Member Winkler moved that **the Board revoke Sean P. McNamee's occupational license. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Jason Harrington, Occupational Licensee

Based on staff's investigation and recommendation, Member Moore moved that **the Board issue a Disciplinary Complaint against Jason Harrington, an occupational licensee, based on his admitted theft of property from Casino Queen.**

Further, Member Moore moved that **the Board revoke Jason Harrington's occupational license. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Jeffrey William Clanin, Occupational Licensee

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board issue a Disciplinary Complaint against Jeffrey William Clanin, an occupational licensee, for failing to disclose his September 5, 2007 arrest for theft.**

Further, Member Sullivan moved that **the Board suspend Jeffrey William Clanin's, occupational license for 3 days without pay. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

#### **ADMINISTRATIVE HEARINGS/ALJ REPORTS**

- Lonzell Antonio Richardson – Request for Hearing

Based on the review of staff's investigation and recommendation, Member Winkler moved that **Lonzell Richardson's request for a hearing be denied. He has offered no facts that establish a prima facie case that he was not convicted of Petty Larceny on July 31, 2006.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

#### **ADJOURNMENT**

At 2:45 p.m. Member Gardner motioned for adjournment while Member Sullivan seconded the motion.

Respectfully submitted,

Mary C. Boruta  
Secretary to the Administrator